EAST KENTUCKY POWER COOPERATIVE, INC.

PSC CASE NO. 2003-00051

IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE SUPPLEMENTAL REQUEST FOR INFORMATION DATED 7/9/03

In response to the following Attorney General Office's supplemental request for information, East Kentucky Power Cooperative, Inc. ("EKPC") submits responses to the questions contained therein. Each response with its associated supportive reference materials is individually tabbed. Larger reference documents are submitted separately and labeled as an enclosure to a specific question.

copies: Ron Brown
Gary Davidson
Jim Lamb
Jeff Hohman
Bob Hughes
Randy Dials
Frank Oliva
Shiela Medina

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN RE THE MATTER OF:

THE INTEGRATED RESOURCE PLAN OF)
EAST KENTUCKY POWER COOPERATIVE, INC) Case No. 2003-00051

SUPPPLEMENTAL REQUEST FOR INFORMATION
POSED BY THE ATTORNEY GENERAL

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Supplemental Request for Information to East Kentucky Power Cooperative, Inc., to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

A. B. CHANDLER, III
ATTORNEY GENERAL

ELIZABETH E. BLACKFORD
ASSISTANT ATTORNEY GENERAL
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204
(502) 696-5358

CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 7th day of July, 2003, I have filed the original and ten copies of the foregoing with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

DAVID G EAMES
VICE PRESIDENT
EAST KENTUCKY POWER COOPERATIVE
P O BOX 707
WINCHESTER KY 40392-0707

DALE HENLEY ESQ
EAST KENTUCKY POWER COOPERATIVE
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Supplemental Request for Information
Posed by the Attorney General
Case No. 2003-00051

1) Follow-up to Item 1a. In this response, EKPC states that the PPA would have to be significantly amended to be used.

   a) Does this response mean that the current PPA could not be used and is thus not valid?

   b) If the current PPA is not useable, why has EKPC not petitioned the Commission to withdraw its approval of the PPA?

2) Follow-up to Item 2. Please state the current status of the ETS program. Is EKPC still as optimistic about the ETS program as it was in 1999, when this report was written?

3) Follow-up to Item 4d. Please provide an economic justification for this $1.4 million annual expense. Could this marketing function be handled in-house at a much lower expense to members?

4) Follow-up to Item 5a and 8c.

   a) If the evaluation of the six different planning scenarios results "are within 50 million dollars of each other at the maximum spread in cumulative net present value," and carbon emissions limits could have "extremely adverse financial effects," please explain why EKPC would not attempt to run sensitivity analyses that would quantify the financial impact on each scenario to determine if any scenarios would minimize Global Climate Change liability exposure.

b) Please provide annual carbon dioxide emission estimates for each of the 6 planning scenarios considered.

5) Follow-up to Item 5d. The projects listed amount to less than 200,000 ton of carbon reduction per year. As the IRP calls for growth of carbon emission to over 15 million tons by 2017, 8.7 million tons over 1990 levels, should EKPC not be making a more serious effort to limit its potential carbon emission liability?

6) Follow-up to Item 8a. The analysis ends in 2022, which biases more expensive base load options Base load options have a fuel cost advantage over their entire life, which is not captured in an analysis that only considers the first 10 years of the asset's service. Why does the analysis end in 2022?

7) Follow-up to Item 13. While it is true that EKPC does not have any retail customers, this has not stopped EKPC's involvement in DSM programs such as the ETS program. Has EKPC been working with its Distribution Coop members to develop Net Metering tariffs on the Distribution Coop level? If so, please describe efforts to date. If not, please explain why not.

8) Follow-up to Item 14. With respect to the current Enviro Watt power being sold:

a) Please provide the supplier or suppliers.

b) What is the source of this power (solar, wind, hydro, landfill gas, etc.)?

c) What is the cost of this power to EKPC on a cents/kwh basis?

d) By when does EKPC expect to be Green Power self-sufficient and no longer need to import this power from off-system?

9) Follow-up to Item 17.

a) Please detail each discussion EKPC has had with the Division of Forestry or other parties about acquiring wood-waste for the Gilbert plant.

b) Is it correct that installing facilities for burning bio-mass at the Gilbert plant is not part of current construction plans?

c) Please provide the cost of handling and storing coal in the present Gilbert plant construction plans.

10) Follow-up to Item 18d.

a) If wind monitoring is currently underway, and that monitoring will only take 12 to 18 months, why will it take until the end of 2005 to make a decision on pursuing wind capacity?

b) When is the earliest that EKPC could put a wind plant on-line?

11) Follow-up to Item 19. Is installation of photovoltaics being studied by the Enviro Watt program? If so, please provide details of efforts to this date. If not, please explain why not.

12) Follow-up to Item 20. Even if the capacity is not firm, is the energy that is expected to be provided by this project included in the IRP? If not, why not?

13) Follow-up to Item 21. The tariff provided is three and a half years old. When does EKPC expect to update this tariff and include the cost of the base load capacity in current plans?

14) Follow-up to KDOE Item 4. Can the knowledge and technology that EKPC has developed for landfill gas be used for coalbed gas? If so, is EKPC exploring coalbed gas sites, not only to generate power but also gain credits in Global Climate Change emissions reductions?

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 1
RESPONSIBLE PARTY: David Drake/David G. Eames

REQUEST 1. Follow-up to Item 1a. In this response, EKPC states that the PPA would have to be significantly amended to be used.

REQUEST 1a. Does this response mean that the current PPA could not be used and is thus not valid?

RESPONSE 1a. EKPC believes that the existing PPA with KPE could be amended to serve as the basis for the project, should all necessary approvals be obtained and KPE secures the necessary financing. The PPA has not been terminated at this point, and therefore its terms remain valid. However, delays in the project financing and approvals mean that the major obligations of the parties to the PPA have not yet become enforceable, and the time which has been lost through these continuing delays makes it less likely that all of the original provisions of the PPA will prove to be feasible. The most significant term in the PPA which would require amendment is the commercial operation date, but the continuing uncertainties about the project could require changes in other terms.

REQUEST 1b. If the current PPA is not useable, why has EKPC not petitioned the Commission to withdraw its approval of the PPA?

RESPONSE 1b. As stated above, EKPC does not consider the existing PPA to be without value. EKPC and KPE are continuing to discuss the future of the project, and the PPA, with amendments, may continue to serve as the agreement of the parties. EKPC recognizes that the Commission would need to review and approve any amendment to the PPA, but has seen no need to request a withdrawal of the original approval as long as KPE continues to seek necessary project approvals, and a possibility remains that the project can eventually go forward on terms that will be beneficial to EKPC's member systems.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 2
RESPONSIBLE PARTY: James C. Lamb

REQUEST 2. Follow-up to Item 2. Please state the current status of the ETS program. Is EKPC still as optimistic about the ETS program as it was in 1999, when this report was written?

RESPONSE 2. The current status of the ETS program is described in the IRP report. Please see pages 73 and 74 of EKPC's Integrated Resource Plan, and Sections 4 and 5 of Appendix II.

EKPC does not consider its view of this program to be optimistic. EKPC is satisfied with the performance of this program. Program rules for ETS have not changed from what they were in 1999.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 3
RESPONSIBLE PARTY: David G. Eames

REQUEST 3. Follow-up to Item 4d. Please provide an economic justification for this $1.4 million annual expense. Could this marketing function be handled in-house at a much lower expense to members?

RESPONSE 3. In response to this question, APM was asked to provide an estimate of the cost for EKPC to operate its own 24-hour power marketing and trading operation, along with the other services currently provided to EKPC by APM. APM has estimated that EKPC would need to increase its in-house staff by as much as 15 personnel, in addition to computer hardware and software systems needed. Total annual expense for EKPC to perform all the functions currently being performed by APM is estimated to be approximately $1,882,000, as shown on the next page.

Estimated Annual Costs for EKPC to Operate Internal Energy Marketing Functions and Other Services Similar to APM

Labor	
Traders (6) and Manager (1)	
Scheduler (1)	
Transmission Specialists (1)	
Trading Control (1)	
Credit/Contracts (2)	
Quantitative Analysts (1)	
Administrative (1)	
IT Support (1)	
Annual Estimated Labor Expense	$ 870,000
Employee Benefits and Overhead	537,000
Training/Travel	25,000
Communication	24,000
Computer Systems and Software	
Energy Risk System and Hardware	
Personal Computers	
Printers	
Fax	
Tagging	
Weather	
IT Maintenance	
Scheduling system	
Annual Computer Systems and Software	399,500
Office Expense	27,000
Total Estimated Annual Expenses	$1,882,500

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 4
RESPONSIBLE PARTY: Bob Hughes/David G. Eames

REQUEST 4. Follow-up to Item 5a and 8c.

REQUEST 4a. If the evaluation of the six different planning scenarios results "are within 50 million dollars of each other at the maximum spread in cumulative net present value," and carbon emissions limits could have "extremely adverse financial effects," please explain why EKPC would not attempt to run sensitivity analyses that would quantify the financial impact on each scenario to determine if any scenarios would minimize Global Climate Change liability exposure.

RESPONSE 4a. Currently in Kentucky significant reductions of carbon emissions can be achieved by switching from coal to natural gas, sequestration of carbon or doing both switching to natural gas and sequestration of carbon. Using recent history, when sulfur dioxide emissions were regulated, the price differential between low sulfur or compliance coal and high sulfur coal came to equate the cost of sulfur dioxide removal using flue gas scrubbers. Based on that history, if carbon emissions are regulated, the cost differential between natural gas and coal will be, at a minimum, the cost of sequestering the difference in carbon emissions between natural gas and coal. Therefore, using current technology, the cost of reducing carbon emissions becomes the projected cost of sequestering carbon. A ready source on the cost of carbon sequestering is the

Department of Energy web site, www.fe.doe.gov/coal_power/sequestration/indes.shtml. This report states, "Using present technology, estimates of sequestration costs are in the range of $100 to $300/ton of carbon emissions avoided. The goal of the program is to reduce the cost of carbon sequestration to $10 or less per net ton of carbon emissions avoided by 2015." If EKPC has to reduce carbon emission by 8.7 million ton in 2017, the added cost per kilowatt-hour over the base case on the wholesale rate will range from .5 cents per KWh for $10/ton removal, 5 cents per KWh for $100/ton removal or 15 cents per KWh for $300/ton removal. The projected 2017 wholesale rate to members is 5.4 cents per KWh. If the cost of sequestrating a ton of carbon emission is only ten dollars per ton, the impact on the utility industry is minimal. However, it the cost is in the 100 to 300 dollar per ton range, the impact on 2017 wholesale rates is a 200 to 400 percent increase. Legislation causing these kinds of price increases cannot be modeled with simplistic cost adders in a production-costing model. The ultimate consumers of the energy will switch to lower cost untaxed fuel sources.

We know legislation will regulate carbon emission at some future date but until some draft legislation provides specifics what do we model? Will carbon emission regulation make electricity so expensive that it is only suitable for lighting, electronics and perhaps refrigeration? How will the legislation impact the prices of various fuels? Will the residential use of natural gas be regulated? How will the regulation impact industries and jobs in Kentucky? If the Attorney General has draft legislation regulating carbon emissions, EKPC will be glad to analyze its impact on EKPC's future.

REQUEST 4b. Please provide annual carbon dioxide emission estimates for each of the 6 planning scenarios considered.

RESPONSE 4b.

CO_2 Emissions by Scenario

Million of Tons

	Scenario					
	Base	1	2	3	4	5
2003	9.61	9.61	9.61	9.61	9.61	9.61
2004	9.83	9.83	9.83	9.83	9.83	9.83
2005	11.22	11.22	11.22	11.22	11.22	11.22
2006	11.81	11.79	11.80	11.80	11.80	11.80
2007	12.19	12.96	12.20	12.19	12.19	12.19
2008	12.34	13.42	12.33	12.34	12.34	12.34
2009	12.44	13.62	12.42	12.43	12.43	12.43
2010	13.11	14.24	13.06	13.07	13.11	13.07
2011	13.24	15.14	13.23	14.17	13.24	14.17
2012	13.45	15.70	13.44	14.73	13.45	14.73
2013	13.60	15.96	13.60	14.93	13.60	14.93
2014	13.71	16.21	13.71	15.09	13.70	15.11
2015	13.86	17.13	13.85	16.18	14.92	15.31
2016	13.97	17.65	13.98	16.72	15.50	15.48
2017	13.98	17.84	14.01	16.84	15.55	15.55
2018	15.27	18.70	14.14	17.84	16.75	16.76
2019	15.84	19.24	14.23	18.37	17.25	17.24
2020	15.96	19.57	14.36	18.66	17.45	17.45
2021	15.99	19.83	14.42	18.85	17.56	17.56
2022	16.01	20.08	14.40	18.99	17.62	17.61

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 5
RESPONSIBLE PARTY: Bob Hughes

REQUEST 5. Follow-up to Item 5d. The projects listed amount to less than 200,000 ton of carbon reduction per year. As the IRP calls for growth of carbon emission to over 15 million tons by 2017, 8.7 million tons over 1990 levels, should EKPC not be making a more serious effort to limit its potential carbon emission liability?

RESPONSE 5. Carbon emissions liability is an ever-changing concept. East Kentucky Power Cooperative is continually looking for opportunities to mitigate our carbon emissions while remaining within the confines of the current scientific views and the economic realities of the issue. Currently, we have several projects that will have impacts on our carbon emissions. EKPC also has a staff member participating in a committee for the National Rural Electric Environmental Association that will help develop policy on carbon mitigation for cooperatives throughout the United States.

EKPC is continuing to look for landfill gas to electricity sites throughout the Commonwealth. Eventually, these projects will produce up to 50 megawatts of power from methane produced in landfills. These projects take a greenhouse gas, methane, and produce electricity offsetting the use of coal and its associated emissions.

At Spurlock Station EKPC is continuing to study the feasibility of using biomass in the new Gilbert Unit. This unit using a fluidized bed can utilize biomass for up to 10 percent

of its fuel. This would offset another 26 or 27 megawatts of coal generation with a fuel that would have no net carbon emissions.

EKPC continues to promote carbon sequestration activities. The cooperative has donated land to the Nature Preserves Commission that will remain a protected carbon sink. We continue to promote the use of native warm season grasses in right-of-way management. These grasses have a much greater ability to sequester carbon than the species commonly used. EKPC has also established a 22 acre native grass preserve at its headquarters facility, and is also investigating the feasibility of setting aside acreage at its power and transmission facilities as sequestration preserves.

Finally, EKPC has established a green power initiative, giving its member cooperatives the option of purchasing power produced from sources that have much less impact on our environment than traditional power sources. This program will continue to look for alternatives to coal generation such as wind power, solar power, or low impact hydro power that have significantly less impact on our environment and lower our carbon emissions liability.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 6
RESPONSIBLE PARTY: David G. Eames

REQUEST 6. Follow-up to Item 8a. The analysis ends in 2022, which biases more expensive base load options Base load options have a fuel cost advantage over their entire life, which is not captured in an analysis that only considers the first 10 years of the asset's service. Why does the analysis end in 2022?

RESPONSE 6. The analysis ends in 2022 because it was for a 20-year study for EKPC's financial forecast. EKPC does not project assumptions 40 years into the future and base decisions on the projected costs over that planning horizon. If a base load generator is needed, its projected near-term utilization rate should put the all-in cost of the unit "in the money" near its in service date. If a base load generator is installed early and causes the system base load utilization rate to decline, the study may need 30 or 35 years of cost savings to justify the unit. In this analysis, the ratepayers for the first years of the asset life will pay higher costs so future ratepayers might realize the projected cost savings. A private utility that earns a return on invested capital might want to over install expensive base load capacity. In the cooperative spirit, EKPC tries to make investments that minimize the cost of electricity for all of the ratepayers over the assets' total life. The analysis is reviewed every year and as we get closer to the decision point, more of the cost of the base load unit will be included. Only the next increment of capacity is critical. Everything after that can change in the next analysis.

EAST KENTUCKY POWER COOPERATIVE, INC.
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IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 7
RESPONSIBLE PARTY: David G. Eames

REQUEST 7. Follow-up to Item 13. While it is true that EKPC does not have any retail customers, this has not stopped EKPC's involvement in DSM programs such as the ETS program. Has EKPC been working with its Distribution Coop members to develop Net Metering tariffs on the Distribution Coop level? If so, please describe efforts to date. If not, please explain why not.

RESPONSE 7. No, EKPC has not currently been working with member distribution systems to develop Net Metering tariffs. EKPC's current marketing programs were developed at the member/owners request, and if they ask us to help them with net metering, we will.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 8
RESPONSIBLE PARTY: Gary Crawford

REQUEST 8. Follow-up to Item 14. With respect to the current Enviro Watt power being sold:

REQUEST 8a. Please provide the supplier or suppliers.

RESPONSE 8a. Current EnviroWatts power supplier is Wabash Valley Power Association.

REQUEST 8b. What is the source of this power (solar, wind, hydro, landfill gas, etc.)?

RESPONSE 8b. Source of power is landfill gas.

REQUEST 8c. What is the cost of this power to EKPC on a cents/kWh basis?

RESPONSE 8c. Cost of power is 3.436 cents/kWh.

REQUEST 8d. By when does EKPC expect to be Green Power self-sufficient and no longer need to import this power from off-system?

RESPONSE 8d. EKPC expects to begin utilizing its own landfill gas plants to support the EnviroWatts program following termination of the Agreement with Wabash Valley on November 30, 2003.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 9
RESPONSIBLE PARTY: James Shipp

REQUEST 9. Follow-up to Item 17:

REQUEST 9a. Please detail each discussion EKPC has had with the Division of Forestry or other parties about acquiring wood-waste for the Gilbert plant.

RESPONSE 9a. East Kentucky Power has had discussions with potential wood waste suppliers. It appears that the available wood waste available to Gilbert is currently being shipped to a paper plant in Ohio. This wood waste would be available for Gilbert but EKPC would have to compete with the Ohio paper plant for that material.

REQUEST 9b. Is it correct that installing facilities for burning bio-mass at the Gilbert plant is not part of current construction plans?

RESPONSE 9b. The Gilbert Circulating Fluid Bed boiler will burn wood waste and other bio-mass fuels up to ten percent of the required Btu input. The current construction plan does not have the required wood waste and bio-mass fuel receiving, processing, and delivery system included. It is estimated that the cost to include this equipment would be $6,000,000 to $10,000,000 depending on how the system is sized. EKPC is still trying to determine whether there is economic justification to spend this additional capital.

REQUEST 9c. Please provide the cost of handling and storing coal in the present Gilbert plant construction plans.

RESPONSE 9c. The coal handling system for Gilbert is estimated to cost $12,000,000.

EAST KENTUCKY POWER COOPERATIVE, INC.
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IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 10
RESPONSIBLE PARTY: Gary Crawford

REQUEST 10. Follow-up to Item 18d.

REQUEST 10a. If wind monitoring is currently underway, and that monitoring will only take 12 to 18 months, why will it take until the end of 2005 to make a decision on pursuing wind capacity?

RESPONSE 10a. Data will need to be reviewed and compared with different wind turbine designs to determine unit size and capacity for a perspective site, lease agreements will have to be negotiated with the property owners, cost of site preparation and electrical interconnection will also need further evaluation.

REQUEST 10b. When is the earliest that EKPC would put a wind plant on-line?

RESPONSE 10b. According to TVA's Environmental Assessment of a 20 MW Windfarm and Associated Energy Storage Facility, April 2002, which can be viewed at http://www.tva.gov/environment/reports/windfarm/index.htm, their process to complete additional wind generation at Buffalo Mountain is expected to take a little over 2 years, from the issuing of a Request for Proposals (RFP) in July 2001 to the expected completion of the additional Buffalo Mountain project in October 2003. A wind farm

consisting of three wind turbines with a maximum generation capacity of 2 MW already exists at Buffalo Mountain and went online in October 2000.

After it is determined if wind generation is an economic alternative, EKPC expects the RFP process would take approximately 6 months, regulatory approvals close to one year, construction and testing would take up to one year. If the wind generation was under 10 MW this could exempt it from the site compatibility certificate approval process and possibly lower the amount of time it would take.

EAST KENTUCKY POWER COOPERATIVE, INC.
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IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 11
RESPONSIBLE PARTY: Gary Crawford

REQUEST 11. Follow-up to Item 19. Is installation of photovoltaics being studied by the Enviro Watt program? If so, please provide details of efforts to this date. If not, please explain why not?

RESPONSE 11. Photovoltaics are not being studied at this time by EKPC. According to information gathered from the Kentucky Department of Energy web site: www.eere.energy.gov/state_energy/tech_solar.cfm?state= KY, it would take a PV solar concentrator system with a collector area of 200,000 square meters (a system that would cover roughly 200 acres, in the state's best areas) to produce enough power for 2,954.4 homes. From this information, it doesn't appear that solar power in Kentucky can be justified at present on a cost per kW basis. Having said that, there is always a possibility that a unique situation may arise that would lend itself to studying the application of photovoltaics and possible incorporation into the EnviroWatts program.

EAST KENTUCKY POWER COOPERATIVE, INC.
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IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 12
RESPONSIBLE PARTY: David G. Eames

REQUEST 12. Follow-up to Item 20. Even if the capacity is not firm, is the energy that is expected to be provided by this project included in the IRP? If not, why not?

RESPONSE 12. The energy received from Cox Interior is not included in EKPC's IRP planning. There are two reasons for this:

1. Cox Interior cannot tell EKPC when it will have excess energy so it cannot be scheduled.
2. It is not a large enough amount (records indicate the total energy from 1998 through June 2003 was 12,023 MWH).

EAST KENTUCKY POWER COOPERATIVE, INC.
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IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 13
RESPONSIBLE PARTY: David G. Eames

REQUEST 13. Follow-up to Item 21. The tariff provided is three and a half years old. When does EKPC expect to update this tariff and include the cost of the base load capacity in current plans?

RESPONSE 13. EKPC and its Member Systems periodically review the need to update the cogeneration and small power production tariff. EKPC and its Member Systems intend to review this information during the second half of 2003.

EAST KENTUCKY POWER COOPERATIVE, INC.
PSC CASE NO. 2003-00051
IRP INFORMATION REQUEST RESPONSE

ATTORNEY GENERAL OFFICE REQUEST DATED 7/9/03
REQUEST 14
RESPONSIBLE PARTY: David G. Eames

REQUEST 14. Follow-up to KDOE Item 4. Can the knowledge and technology that EKPC has developed for landfill gas be used for coalbed gas? If so, is EKPC exploring coalbed gas sites, not only to generate power but also gain credits in Global Climate Change emissions reductions?

RESPONSE 14. The knowledge and technology that EKPC has developed for its landfill gas projects is transferable to coal bed methane ("CBM") gas projects. However, initial inquiries indicate that owners/developers place a value on CBM gas comparable to that of natural gas prices, thereby resulting in an uneconomical project. For example, if CBM were valued at $6.00/mmBtu, the estimated cost of energy from a plant design comparable to that of landfill gas would be about three times higher.